Karanja etc. on wastelands/degraded lands is an important activity under the ongoing watershed development programmes, namely the Integrated Wastelands Development Programme, Drought Prone Areas Programme and the Desert Development Programme of the Ministry of Rural Development. In addition Planning Commission is also launching a programme called 'National Mission on Jatropha[1] under which waste and fallow land in various States would be brought under cultivation by planting Jatropha trees.

(b) and (c) IOC R&D has conducted studies to produce bio-diesel from various vegetable oils on bench scale and pilot plant scale. The bio-diesel so produced has been found to be suitable for blending with diesel.

**Frequent increase in prices of petrol and diesel**

2742. SHRI KARNENDU BHATTACHARJEE: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the prices of diesel and petroleum have been recently hiked;

(b) if so, the details thereof and the reasons therefor;

(c) whether this is the second such increase in the month of March, 2003;

(d) if so, the reasons for such frequent increase;

(e) whether such increase is likely to have a casacading effect on prices of various commodities and will in the process hit the life of the common people; and

(f) if so, the steps proposed to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH GANGWAR): (a) to (f) With the dismantling of Administered Pricing Mechanism (APM) in the petroleum sector effective 1st April 2002, the pricing of petrol and diesel has been decontrolled. The oil marketing companies are now fixing the prices of petrol and diesel after taking into account the prevalent international oil prices. Thus, the variations in the

international oil prices are likely to be reflected in the domestic prices of petrol and diesel.

The retail selling prices of petrol and diesel at Delhi were revised twice during March 2003 by the PSU oil companies as given under:

Rs/Litre

| | 1.3.03 | 16.3.03 |
|---|---|---|
| Petrol | 32.10(1.39)* | 33.49(1.39)* |
| Diesel | 21.21 (1.37)* | 22.12(0.91)* |

(*Figures in brackets give increase over the earlier price.)

The increase in prices of diesel and petroleum impacts directly Wholesale Price Index (WPI) based inflation through their weight In WPI. There is also an additional indirect impact of roughly equal magnitude on WPI based inflation of such increase in the prices of diesel and petroleum.

The Government is monitoring the situation.

**ONGC values limited**

2743. DR. AKHILESH DAS: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Oil and Natural Gas Commission has moved a proposal to float a special purpose vehicle, ONGC Values Ltd. with its equity restricted to 49 per cent with-balance of equity being with Non-Government financial institutions like ICICI Ltd. IDFC and HDFC with neither holding more than 25 per cent;

(b) if so, the proposed terms of the new entity and the main objective and purpose thereof indicating the circumstances leading to such proposal; and

(c) what is Government's decision in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH GANGWAR):